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State of Idaho

Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

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# IDAHO COMMISSION FOR LIBRARIES

FY 2010, 2011, AND 2012

**Report MR52112**  
**Date Issued: September 20, 2013**

*Serving Idaho's Citizen Legislature*



Idaho Legislative Services Office  
Legislative Audits Division

# IDAHO COMMISSION FOR LIBRARIES

April Renfro, Manager

## SUMMARY

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### **PURPOSE OF MANAGEMENT REVIEW**

We conducted a management review of the Idaho Commission for Libraries (Commission) covering the fiscal years ended 2010, 2011, and 2012. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

### **CONCLUSION**

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Commission.

### **FINDINGS AND RECOMMENDATIONS**

There is one finding and recommendation in this report.

**Finding 1 – Supporting documentation was unavailable or inadequate for 17% of expenditures selected for testing.**

The complete finding is detailed on page 1 of this report.

### **PRIOR FINDINGS AND RECOMMENDATIONS**

There were no findings and recommendations in the prior report.

A copy of the prior report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm> or by calling 208-334-4832.

### **AGENCY RESPONSE**

The Commission has reviewed the report and is in general agreement with the contents.

### **FINANCIAL INFORMATION**

The following financial data is for informational purposes only.

## IDAHO COMMISSION FOR LIBRARIES - FISCAL YEAR 2012

Fund No.	Fund Title	Beginning Cash Balance	Receipts/ Transfers-in	Disbursements/ Transfers-out	Ending Cash Balance
0001	General Fund *	\$ 2,997,700	\$ -	\$ (2,957,172)	\$ 40,528
0304	Library Services Improvement Fund	251,318	389,392	\$ (385,386)	255,324
0346	ARRA Fund	10,274	841,000	\$ (799,216)	52,058
0348	Federal (Grant) Fund	22,549	1,333,111	\$ (1,257,478)	98,182
0349	Miscellaneous Revenue Fund	25,445	40,663	(51,360)	14,748
TOTALS		\$ 3,307,286	\$ 2,604,166	\$ (5,450,612)	\$ 460,840

\* Ending appropriation of \$40,528 was reverted.

### OTHER INFORMATION

We discussed other issues which, if addressed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Idaho Commission for Libraries and is not intended to be used by anyone other than these specified parties.

A copy of this report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm> or by calling 208-334-4832.

We appreciate the cooperation and assistance given to us by the Idaho State Librarian, Ann Joslin, and her staff.

### ASSIGNED STAFF

Chris Farnsworth, CPA, Managing Auditor

Aimee Hayes, CPA, In-Charge Auditor

Brandon Rigby, Staff Auditor

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# FINDINGS AND RECOMMENDATIONS

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## **Finding 1 – Supporting documentation was unavailable or inadequate for 17% of expenditures selected for testing.**

**Criteria:** Idaho Code Section 67-4131 establishes the responsibility of setting rules and guidelines pertaining to records management under the State Historical Society. The *Financial Records Retention Schedule of Records Management Guide* indicates that most expenditure documentation should be retained for at least 3 years or until audited. Adequate documentation should support the validity and accuracy of the transaction and compliance with laws or regulations.

**Condition:** We randomly selected 60 expenditure transactions to test; 20 from each fiscal year in our audit period. The agency was unable to provide us with adequate supporting documentation for four transactions in Fiscal Year 2010, five transactions in Fiscal Year 2011 and one transaction in Fiscal Year 2012.

**Cause:** Prior to January 2011, the Commission used a decentralized filing system which did not provide for a logical means by which documentation for a specific transaction could be located. After January 2011, a new centralized filing system was implemented, and as a result, some expenditure documentation may have been lost in the conversion. Additionally, the Commission experienced some flooding and documentation may have been lost or destroyed as a result of water damage.

**Effect:** The lack of documentation is not in compliance with Idaho Code and does not allow for audit testing of these transactions to verify whether or not they were valid and accurate or in compliance with applicable policy.

**Recommendation:** We recommend that the Idaho Commission for Libraries implement a filing system that will adhere to the records retention guidelines and prevent the risk of lost or misplaced documentation necessary for supporting the Commission's financial transactions.

## AGENCY RESPONSE

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September 17, 2013

Chris Farnsworth, CPA, Managing Auditor  
LSO Legislative Audits Division  
Statehouse, PO Box 83720  
Boise, Idaho 83720


Dear Chris,

Thank you for sharing the draft audit report on the Commission's fiscal years 2010 - 2012. We also appreciate the time that Aimee Hayes and Brandon Rigby invested in our organization conducting the audit.

We agree with the results and finding that the amount of supporting documentation that was unavailable or inadequate exceeded acceptable standards. We identified this as a weak area in 2011 and have already taken corrective steps. In fiscal year 2012 we made significant changes in most of our financial processes, including how our fiscal documents are filed. During fiscal year 2012, we transitioned to a centralized filing system and consolidated all financial records. This change has already produced considerable, overall improvements in document retention and retrieval. We continue to implement changes to improve all our financial functions.

As always, we appreciate your office's periodic review of our administrative procedures and accounting controls. Your suggestions for improvement are always welcomed.

Regards,

  
Ann Joslin  
State Librarian

# APPENDIX

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## **HISTORY**

Idaho citizens have utilized the services of a State-supported library since 1901. A chronological history of the Idaho Commission for Libraries (Commission) follows:

- 1901 The Idaho Free Traveling Library was established.
- 1903 The State Library Commission was established and the Idaho Free Traveling Library became the State Library.
- 1953 The Idaho State Library Board was created to replace the State Library Commission.
- 1974 Executive reorganization placed the Idaho State Library Board under the State Board of Education.
- 2006 Effective July 1, 2006, the Idaho State Library changed its name to the Idaho Commission for Libraries, and the board of trustees was renamed the Board of Library Commissioners.
- 2009 Effective July 1, 2009, the State Library Commission was moved from under the State Board of Education and established as a self-governing agency with board members appointed by the Governor.

## **PURPOSE**

The mission of the Idaho Commission for Libraries is to assist libraries to build the capacity to better serve their clientele.

## **STATUTORY AUTHORITY**

Statutory authority for the Idaho Commission for Libraries is found in Idaho Code, Title 33, Chapter 25.

## **ORGANIZATION**

The Board of Library Commissioners consists of five members appointed by the Governor. The powers and duties of the commissioners include employment of the State Librarian, governance of the Commission for Libraries, and receipt and expenditure of resources for library services.

## **FUNDING**

The Commission for Libraries is funded by General Fund appropriations, various grants and corporate and individual donations and bequests. The following are descriptions of the Commission's operating funds.

General Fund 0001 – This fund receives a General Fund appropriation. It is the operating fund for the Commission and is also used to provide library development services and grants to publically funded libraries.



Library Improvement Fund 0304 – This fund primarily receives private grant revenues and interest earnings. It is used to further the development of library services for all Idaho citizens.

Federal Fund 0348 – This fund receives federal grant funds. It is used to administer grant-financed pilot and statewide projects and to fund eligible continuing library education opportunities for local library staff.

Miscellaneous Revenue Fund 0349 – This fund receives donations and bequests, miscellaneous receipts, and grant-matching funds from subrecipients. It is used for general administrative expenditures and subrecipient matching portions of grant project expenditures.

# ORGANIZATIONAL CHART

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# The Idaho Commission for Libraries

## Board of Library Commissioners

Larry Weeks, Bruce Noble, David Mecham, Sara Staub, John Held  
(9005)

State Librarian  
Ann Joslin  
(8001)

Associate State Librarian  
Marjorie Hooper  
(7200)

Program Supervisor  
Pamela Bradshaw  
(1255)

Administrative Services Manager  
Roger Dubois  
(7300)

Library Consultants  
Kevin Tomlinson  
(6515)  
Gina Persichini  
(6505)  
Vacant  
(6510)  
Shirley Biladeau  
(6525)  
Jeannie Standal  
(7100)  
Sue Walker  
(5801)

Web Design  
Specialist  
Ben Bibikov  
(6204)

Web Developer  
Aubrey Ellis  
(4305)

Office Services  
Supervisor 2  
Dian Scott  
(2501)

Volunteer Services  
Coordinator  
Sheila Winther  
(1112)

Public Information  
Specialist  
Teresa Lipus  
(4706)

Project Coordinators  
Erica Compton  
(6540)  
Staci Shaw  
(6215)  
Stephanie Bailey-White  
(4705)

CSR1 & OS1 & OS2  
Steven Bailey (4304)  
Tina Schilling (1111)  
Nancy Reese (1163)  
Vacant (1166)  
Karen Parsons (1202)  
Judy Mooney (1203)  
Patrick Schleibaum (1204)  
Betty Hoshaw (1210)  
Terri King (1301)  
Loretta Paine (2401)  
Vacant (1101)  
Nancy Kingsford (6105)

Consultant (EFO)  
Frank Nelson  
(6532)

Office Specialist 2  
Debby Wylie  
(1162)

Librarians  
Danna Angevine  
(6201)  
Vacant  
(6406)

Consultant (NFO)  
Jan Wall  
(6530)

IT Information  
System Tech. Sr.  
Vacant  
(4710)

IT Support Tech.  
David Harrell  
(4711)

Human Resource  
Associate  
David Guyer  
(4715)

Grants Contracts Officer  
Kristina Taylor  
6550

Financial Specialist Sr  
Vacant  
(4702)

Financial Technician  
Katy Place  
(1332)  
Buyer  
Sandy Hetzel  
(4701)

*Ann Joslin*